

**Presentment Date: October 18, 2013 at 12:00 p.m. (prevailing Eastern Time)**

**Objection Deadline: October 17, 2013 at 4:00 p.m. (prevailing Eastern Time)**

KRAMER LEVIN NAFTALIS & FRANKEL LLP

Kenneth H. Eckstein

Douglas H. Mannal

1177 Avenue of the Americas

New York, New York 10036

Telephone: (212) 715-9100

Facsimile: (212) 715-8000

*Counsel for the Official Committee  
of Unsecured Creditors*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----  
In re:

RESIDENTIAL CAPITAL, LLC, et al.,

Debtors.

)  
) Case No. 12-12020 (MG)  
)  
) Chapter 11  
)  
) Jointly Administered  
)  
-----

**NOTICE OF PRESENTMENT OF THE APPLICATION OF THE OFFICIAL  
COMMITTEE OF UNSECURED CREDITORS FOR ENTRY OF AN ORDER  
AUTHORIZING THE EMPLOYMENT AND RETENTION OF QUEST  
TURNAROUND ADVISORS, LLC AS CONSULTANT TO THE  
COMMITTEE, NUNC PRO TUNC TO SEPTEMBER 16, 2013**

**PLEASE TAKE NOTICE OF THE FOLLOWING:**

1. Upon the annexed application (the “**Application**”) of the Official Committee of Unsecured Creditors of the above-captioned debtors and debtors-in-possession (collectively, the “**Debtors**”), for entry of an order authorizing the employment and retention of Quest Turnaround Advisors, LLC as consultant to the Committee, *nunc pro tunc* to September 16, 2013, the undersigned will present a proposed order (the “**Proposed Order**”) approving the Application, substantially in the form attached to the Application as **Exhibit B**, to the Honorable Martin Glenn, United States Bankruptcy Judge, Room 501 of the United States Bankruptcy Court, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004, for signature on **October 18, 2013 at 12:00 p.m.** (prevailing Eastern Time).

2. Any objections to the Proposed Order must be made in writing, filed with the Court (with a copy to Chambers) and served in accordance with the Order Under Bankruptcy Code Sections 102(1), 105(a) and 105(d), Bankruptcy Rules 1015(c), 2002(m) and 9007 and Local Bankruptcy Rule 2002-2 Establishing Certain Notice, Case Management and Administrative Procedures [Docket No. 141] (the “**Case Management Order**”), and served upon the Special

Service List, as that term is defined in the Case Management Order, so as to be actually received no later than **October 17, 2013 at 4:00 pm** (prevailing Eastern Time).

3. If no objections to the Application are timely filed and served on or before the Objection Deadline, the Court may enter the Proposed Order with no further notice or opportunity to be heard offered to any party. If an Objection is received in accordance with the terms above, the Court will schedule a hearing with respect to the relief sought in the Application.

4. A Copy of the Application can be obtained or viewed for a fee via PACER at [www.pacer.gov](http://www.pacer.gov) or (without charge) on the Debtors' restructuring website at [www.kccllc.net/rescap](http://www.kccllc.net/rescap).

Dated: October 10, 2013  
New York, New York

/s/ Douglas H. Mannel  
Kenneth H. Eckstein  
Douglas H. Mannel  
1177 Avenue of the Americas  
New York, New York 10036  
Telephone: (212) 715-9100  
keckstein@kramerlevin.com

*Counsel for the Official Committee  
of Unsecured Creditors*

**Presentment Date: October 18, 2013 at 12:00 p.m. (prevailing Eastern Time)**

**Objection Deadline: October 17, 2013 at 4:00 p.m. (prevailing Eastern Time)**

KRAMER LEVIN NAFTALIS & FRANKEL LLP

Kenneth H. Eckstein

Douglas H. Mannal

1177 Avenue of the Americas

New York, New York 10036

Telephone: (212) 715-9100

Facsimile: (212) 715-8000

*Counsel for the Official*

*Committee of Unsecured Creditors*

**UNITED STATES BANKRUPTCY COURT**

**SOUTHERN DISTRICT OF NEW YORK**

|   |   |
|---|---|
| -----                                     | x |
| In re:                                    | : |
|   | : |
| RESIDENTIAL CAPITAL, LLC, <u>et al.</u> , | : |
|   | : |
| Debtors.                                  | : |
|   | : |
| -----                                     | x |

**APPLICATION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR  
ENTRY OF AN ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF  
QUEST TURNAROUND ADVISORS, LLC AS CONSULTANT  
TO THE COMMITTEE, NUNC PRO TUNC TO SEPTEMBER 16, 2013**

## TABLE OF CONTENTS

|   | <u>Page</u> |
|---|-------------|
| Jurisdiction and Venue.....             | 1           |
| Background.....                         | 1           |
| Relief Requested.....                   | 4           |
| Basis for Relief Requested.....         | 4           |
| Services to be Rendered.....            | 7           |
| Professional Compensation.....          | 8           |
| Indemnification.....                    | 9           |
| Disinterestedness of Professionals..... | 10          |
| Notice.....                             | 10          |
| No Prior Request.....                   | 11          |

### **Exhibits**

EXHIBIT A Brodsky Declaration

SCHEDULE 1 Retention Checklist

SCHEDULE 2 Schedule of Connections with Potential Parties in Interest

EXHIBIT B Proposed Order

EXHIBIT C Engagement Letter

TO THE HONORABLE MARTIN GLENN  
UNITED STATES BANKRUPTCY JUDGE:

The Official Committee of Unsecured Creditors (the “Committee”) of the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) hereby applies for entry of an order (the “Application”), pursuant to sections 328 and 1103 of chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 2014-1 of the Local Bankruptcy Rules of the Southern District of New York (the “Local Bankruptcy Rules”), in substantially the form attached hereto as Exhibit B, authorizing it to retain Quest Turnaround Advisors, LLC (“Quest”) as consultant to the Committee in connection with the above-captioned chapter 11 cases (the “Chapter 11 Cases”), *nunc pro tunc* to September 16, 2013. In support of this Application, the Committee submits the Declaration of Jeffrey A. Brodsky (the “Brodsky Declaration”), attached hereto as Exhibit A, and respectfully represents as follows:

#### **JURISDICTION AND VENUE**

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A).
2. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The bases for the relief requested herein are sections 328 and 1103 of the Bankruptcy Code, Bankruptcy Rule 2014, and Local Bankruptcy Rule 2014-1.

#### **BACKGROUND**

4. On May 14, 2012 (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

5. On May 16, 2012, the United States Trustee for the Southern District of New York (the “United States Trustee”), pursuant to section 1102 of the Bankruptcy Code, appointed the Committee to represent the interests of all unsecured creditors in these Chapter 11 Cases. The United States Trustee selected the following nine parties to serve as members of the Committee: (i) Wilmington Trust, N.A.; (ii) Deutsche Bank Trust Company Americas; (iii) The Bank of New York Mellon Trust Company, N.A.; (iv) MBIA Insurance Corporation; (v) Rowena L. Drennen; (vi) AIG Asset Management (U.S.), LLC; (vii) U.S. Bank National Association; (viii) Allstate Life Insurance Company; and (ix) Financial Guaranty Insurance Corporation.

6. On December 26, 2012, the Court entered an order appointing the Honorable James M. Peck as Mediator (the “Mediator”) in these Chapter 11 Cases [Docket No. 2519].

7. After months of intensive negotiations and multiple mediation sessions led by the Mediator, on or about May 13, 2013, the Debtors, the Committee, a majority of the Debtors’ creditor constituencies (the “Consenting Claimants”)<sup>1</sup> and Ally Financial, Inc. and its non-Debtor affiliates (“Ally”) executed a plan support agreement (the “Plan Support Agreement”).

8. On June 26, 2013, the Court entered an order authorizing the Debtors to enter into the Plan Support Agreement [Docket No. 4098].

9. On July 3, 2013, the Debtors and the Committee (together, the “Plan Proponents”) filed the *Joint Chapter 11 Plan Proposed by Residential Capital, LLC, et al. and the Official Committee of Unsecured Creditors* [Docket No. 4153] and the *Disclosure Statement for the Joint Chapter 11 Plan Proposed by Residential Capital, LLC, et. al. and the Official*

---

<sup>1</sup> As set forth in the Plan, the Consenting Claimants include, in addition to all Committee members, Wells Fargo Bank, N.A. as RMBS Trustee, HSBC Bank USA, N.A., as RMBS Trustee, Law Debenture Trust Company of New York, as RMBS Trustee, the Steering Committee Consenting Claimants, the Talcott Franklin Consenting Claimants, Paulson & Co., Inc., the Supporting Senior Unsecured Noteholders, MassMutual and Prudential.

*Committee of Unsecured Creditors* [Docket No. 4157], which were subsequently modified and amended on August 16, 2013 [Docket No. 4733], and August 20, 2013 [Docket No. 4771].

10. Following a hearing held on August 21, 2013 regarding the adequacy of the disclosure statement, on August 23, 2013, the Court entered an order [Docket No. 4809] approving the disclosure statement (the “Disclosure Statement”) for the Chapter 11 plan (the “Plan”)<sup>2</sup> jointly proposed by the Plan Proponents. The solicitation versions of the Plan and Disclosure Statement were filed on August 23, 2013 [Docket No. 4819]. The Plan Proponents are currently soliciting approval of the Plan from creditors entitled to vote, and a hearing to consider confirmation of the Plan is scheduled to commence on November 19, 2013.

11. The Plan contemplates the creation of a liquidating trust (the “Liquidating Trust”), to be governed by the Liquidating Trust Board<sup>3</sup> and operated by a Liquidating Trust Manager.<sup>4</sup> Quest has been selected by the Consenting Claimants to serve as the Liquidating Trust Manager upon the Effective Date, and, pursuant to the Liquidating Trust Agreement, shall have responsibility for managing the wind-down of the Debtors’ operations and assets and effectuating distributions to creditors.

12. In accordance with the terms of the Plan and the milestones in the Plan Support Agreement, the Plan must be consummated and all Available Assets must be transferred from the Debtors’ estates to the Liquidating Trust by no later than December 15, 2013.

13. In contemplation of confirmation and the establishment of the Liquidating

---

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Plan.

<sup>3</sup> Pursuant to Article VI.E of the Plan, the Liquidating Trust Board will consist of five (5) members, selected by the following Consenting Claimants: (i) MBIA, (ii) FGIC, (iii) the RMBS Trustees that are members of the Committee, the Steering Committee Consenting Claimants and the Talcott Franklin Consenting Claimants, jointly, (iv) Paulson, and (v) the holders of Private Securities Claims.

<sup>4</sup> In accordance with the terms of the Disclosure Statement Order, the Plan Proponents will file the Plan Supplement (including the identities of the initial Liquidating Trust Board and Liquidating Trust Management) by October 11, 2013 or such later date as determined by the Bankruptcy Court.

Trust, the Committee unanimously determined that the retention of Quest as its liquidation consultant is necessary to ensure an orderly and efficient wind-down process and in the best interest of the estates. In addition, each of the Consenting Claimants have reviewed the Engagement Letter and Application and are supportive of the Committee's engagement of Quest as a consultant to the Committee prior to the Effective Date on the terms set forth herein.

14. The Debtors are likewise supportive of the Committee's engagement of Quest, and the Debtors and their professionals have committed to provide Quest with access to the Debtors' information and personnel in furtherance of Quest's engagement and the services to be provided to the Committee as described herein.<sup>5</sup>

#### **RELIEF REQUESTED**

15. This Application is made by the Committee for an order, pursuant to sections 328 and 1103 of the Bankruptcy Code, Bankruptcy Rule 2014, and Local Bankruptcy Rule 2014-1, authorizing it to retain and employ Quest as its consultant, *nunc pro tunc* to September 16, 2013, in accordance with the terms of the engagement letter between Quest and the Committee, a copy of which is attached hereto as Exhibit C (the "Engagement Letter").

#### **BASIS FOR RELIEF REQUESTED**

16. As this Court is aware, the Committee, as a Plan Proponent, is actively working with the Debtors in a concerted effort to achieve confirmation of the Plan. In contemplation of confirmation and emergence by December 15, 2013, the Plan Proponents are finalizing the mechanics for the transfer of the Debtors' assets to the Liquidating Trust following the Effective Date, and seek to engage Quest to serve as consultant to the Committee to assist in

---

<sup>5</sup>The Committee also made certain clarifications to the Application and Proposed Order to address questions raised by the U.S. Trustee.



facilitating the implementation of the Plan, a smooth transition of the Debtors' assets to the Liquidating Trust, and a swift emergence from bankruptcy following confirmation of the Plan.

17. Pursuant to sections 328(a) and 1103 of the Bankruptcy Code, the Committee may retain experts and consultants to assist the Committee with discharging its statutory rights and duties as fiduciary for unsecured creditors in a chapter 11 case. *See* 11 U.S.C. §§ 328(a), 1103(a); *see also In re Motors Liquidation Company*, No. 09-50026 (REG) (Bankr. S.D.N.Y. April 30, 2010) [Docket No. 5683] (authorizing the official committee of unsecured creditors to retain a consultant for valuation of asbestos liabilities under sections 328 and 1103 of the Bankruptcy Code). In addition, other Courts have authorized creditors' committees and debtors to engage professionals to perform services on behalf of the estate prior to their appointment as liquidating trustee for a liquidating trust post-Effective Date. *See In re Adelphia Commc'ns Corp.*, No. 02-41729 (REG) (Bankr. S.D.N.Y. Oct. 13, 2006) [Docket No. 12180] (approving the Creditors' Committee's engagement of Quest and Mr. Brodsky as creditor representative in contemplation of Quest's appointment as Plan Administrator post-effective date); *In re Circuit City Stores, Inc.*, No. 08-35653 (KRH) (Bankr. E.D. Va. Mar. 11, 2010) [Docket No. 6795] (approving debtors' engagement of a chief restructuring officer pre-effective date in contemplation of engagement as liquidating trustee); *In re TLSC I, Inc.*, No. 04-24134 (MGW) (Bankr. M.D. Fla. Apr. 4, 2006) [Docket No. 1148] (approving engagement of advisor to the Debtors in contemplation that advisor would serve as liquidating trustee post-effective date).

18. Quest provides a broad range of advisory services to creditors, stockholders, management and boards of directors, particularly in the area of restructurings, reorganizations and insolvency through its professionals. Mr. Jeffrey A. Brodsky, co-founder and managing director of Quest, shall lead the engagement for Quest. Mr. Brodsky leads Quest's engagement as Plan

Administrator of Adelphia Communications Corporation Chapter 11 case and as Trust Administrator of the Adelphia Recovery Trust. In those cases, he oversaw the implementation of the plan and supervised management and the distribution of significant assets. Mr. Brodsky has also held significant roles and/or provided consulting services in other large companies in chapter 11, including PTV, Inc. (formerly NTL Incorporated), Comdisco Holding Co., FINOVA Capital Corporation, Physician Computer Network, Inc., Viking Freight, Inc., Hawaiian Airlines and Integrated Resources, Inc. Accordingly, the Committee engaged Quest and Mr. Brodsky because of the expertise and extensive experience of Quest professionals in working with financially troubled companies in complex financial restructurings and large chapter 11 proceedings, including overseeing the implementation of a plan and creating and managing a liquidating trust.

19. At this point in these Chapter 11 Cases, the Debtors are primarily focused on the administration of the bankruptcy estates for the benefit of their creditors, winding down their remaining assets, and preparing for the transfer of these assets to the Liquidating Trust on the Effective Date. Accordingly, the Committee determined that this process would be advantaged by an experienced Committee representative designated to work with the Debtors' management and current chief restructuring officer to ensure the most efficient process. Toward that end, the Debtors have committed to provide Quest and Mr. Brodsky with access to the Debtors' information and personnel and are working together seamlessly with the common goal of maximizing value for creditors.

20. As noted above, Quest has been selected to serve as the Liquidating Trust Manager following the Effective Date.<sup>6</sup> The Committee therefore believes that Quest's involvement in ongoing discussions with the Plan Proponents regarding mechanics for the

---

<sup>6</sup> For the avoidance of doubt, the Committee does not seek the Court's approval of any post-Effective Date employment of Quest by this Application. However, in selecting Quest as its consultant, the Committee considered Quest's qualifications to serve as Liquidating Trust Manager after the Effective Date, since the interests of all creditors would be served by the efficiency and continuity of having the same professionals serve as consultant to the Committee on liquidation and related matters and Liquidating Trust Manager.

implementation of the Plan and the creation of the Liquidating Trust is necessary and will ultimately inure to the benefit of the Debtors' creditors and estates.

21. As noted above, the Committee believes that the retention of Quest will assist the Committee in consulting with the Debtors regarding the Plan Proponents' progress on the wind down and transfer of assets to the Liquidating Trust, and will further the Committee's ability to serve the interests of general unsecured creditors, as prescribed in Bankruptcy Code section 1103(c)(5).<sup>7</sup>

#### **SERVICES TO BE RENDERED**

22. Subject to approval of the Application, and pursuant to the Engagement Letter, it is expected that Quest's services will include, without limitation, the following consulting services:

- Providing regular updates and information to the Committee regarding:
  - the progress of the Debtors' claims reconciliation process, including determining the adequacy of reserves that may be required upon exit from Chapter 11;
  - the Debtors' progress in developing and implementing an efficient liquidation of the Debtors' remaining assets in a manner that maximizes the value of such assets for the benefit of unsecured creditors;
  - the Debtors' litigation strategy, including the investigation, prosecution, settlement and compromise of claims filed against the Debtors and the estate causes of action;
  - the operating resources required by the Debtors upon exiting from Chapter 11 and the implementation of a process for the transition to the Liquidating Trust following confirmation of the Plan;
- Assisting the Committee in working towards confirmation of the Plan;
- Reviewing the proposed use of estate resources, helping manage Committee and estate expenses, and providing recommendations to the Committee regarding same;
- Providing testimony in the Bankruptcy Court when and if requested by the Committee;

---

<sup>7</sup> 11 U.S.C. § 1103 provides, in pertinent part, that "a committee appointed under section 1102 of this title may . . . perform such other services as are in the best interest of those represented." 11 U.S.C. § 1103(c)(5).

- Participating in meetings internally or with outside constituencies; and
- Providing such other services, advice, or assistance as may be requested by the Committee from time to time in connection with this engagement.

23. Quest will work closely with both the Debtors and the Committee's professionals to ensure there is no unnecessary duplication of services.

#### **PROFESSIONAL COMPENSATION**

24. As consultant for the Committee, Quest shall seek compensation and reimbursement in accordance with its standard billing practices, the provisions of the Engagement Letter and the provisions of sections 328, 330 and 331 of the Bankruptcy Code, or as otherwise ordered by the Court.

25. The Committee respectfully submits that the rates charged by Quest are fair and reasonable. The Committee currently contemplates that Mr. Brodsky will serve as consultant to the Committee during the Chapter 11 Cases. The hourly rate for Mr. Brodsky is \$795/hour. To the extent Quest determines that the Chapter 11 Cases require the services of additional Quest employees, Quest, with the consent of the Committee, may utilize additional support staff, with hourly rates ranging from \$400 to \$795/hour.

26. Subject to the terms of the Engagement Letter, these hourly billing rates are subject to adjustment annually at such time Quest adjusts its rates generally. Prior to any increases in the rates set forth herein, Quest shall file a supplemental declaration with the Court and give ten business days' notice to the Debtors, the United States Trustee and any official committee, which supplemental declaration shall explain the basis for the requested rate increases in accordance with section 330(a)(3)(F) of the Bankruptcy Code and indicate whether the client has received notice of and approved the proposed rate increase.

27. Quest regularly charges its clients for expenses incurred in connection with the representation of a client in a given matter. Such expenses include, without limitation, travel

costs, telecommunications, express or overnight mail, messenger service, photocopying costs, overtime meals, and other computer research related expenses, and, in general, all identifiable expenses that would not have been incurred except for representation of a particular client. Quest will abide by the rules and regulations relating to reimbursement of expenses which have been adopted by this Court and by the Office of the United States Trustee.

28. Quest will maintain records (in 1/10th of an hour increments) in support of any actual and necessary costs and expenses incurred in connection with the rendering of its services in these Chapter 11 Cases by category and nature of the services rendered and reasonably detailed descriptions of those services provided on behalf of the Committee, the approximate time expended in providing those services and the individuals who provided professional services on behalf of the Committee and will present such records to the Court. Quest will file interim and final fee applications for the allowance of compensation for services rendered and reimbursement of expenses incurred in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Trustee Guidelines, and any applicable orders of this Court.

#### **INDEMNIFICATION**

29. The Engagement Letter contains indemnification language with respect to Quest's services including, without limitation, an agreement by the Debtors to indemnify Quest, Mr. Brodsky and other Quest personnel provided by Quest with the consent of the Committee from and against any damages, costs, expenses and liabilities, taxes and penalties of any kind and nature whatsoever arising out of or in connection with the engagement of Quest that is the subject of the Engagement Letter (unless such claims, liabilities, losses, expenses and damages are the result of the bad faith, gross negligence or willful misconduct of Quest).

30. The terms and conditions of the Engagement Letter, including the indemnification provisions, were negotiated by the Committee and Quest at arm's-length and in

good faith. The Committee and Quest respectfully submit that such terms and conditions are customary and reasonable for consultant engagements, both out of court and within chapter 11 cases. Specifically, the indemnification provisions in the Engagement Letter (and as reflected in the proposed Order) contain the qualifications and limitations that are customary in this district and other jurisdictions. Further, when viewed in conjunction with the other terms of Quest's proposed retention, such indemnification provisions are reasonable and in the best interests of the Debtors' estates, creditors, and all parties in interest. Accordingly, as part of this application, the Committee requests that this Court approve the terms of the Engagement Letter, including the indemnification provisions as set forth therein and reflected in the proposed Order.

**DISINTERESTEDNESS OF PROFESSIONALS**

31. To the best of the Committee's knowledge, except as stated in the Brodsky Declaration, (i) Quest is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code; (ii) neither Quest nor its professionals have any connection with the Debtors, the creditors or any other party-in-interest; and (iii) Quest does not hold or represent any interest adverse to the Debtors' estates or the Committee in the matters for which it is to be retained.

**NOTICE**

32. In accordance with the Order Under Bankruptcy Code Sections 102(1), 105(a) and 105(d), Bankruptcy Rules 1015(c), 2002(m) and 9007 and Local Bankruptcy Rule 2002-2 Establishing Certain Notice, Case Management and Administrative Procedures [Docket No. 141] (the "Case Management Order"), notice of this Application has been given to all parties listed on the Monthly Service List (as defined in the Case Management Order). Because of the nature of the relief requested, the Committee submits that such notice is sufficient and that no further notice of the relief requested in the Application need be provided.

**NO PRIOR REQUEST**

33. No prior request for the relief sought herein has been made to this or any other Court.

WHEREFORE, the Committee respectfully requests that the Court enter an order, substantially in the form attached hereto as Exhibit B, (i) authorizing the Committee's retention of Quest as its consultant *nunc pro tunc* to September 16, 2013, (ii) authorizing the payment and reimbursement of Quest's fees and disbursements, subject to interim and final allowance thereof in accordance with sections 328, 330 and 331 of the Bankruptcy Code or as otherwise ordered by the Court, and (iii) granting such other and further relief as may be just and proper.

Dated: New York, New York  
October 10, 2013

**THE OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS OF RESIDENTIAL  
CAPITAL, LLC, et al.,**

By: 

John S. Dubel

Co-Chair, Official Committee of Unsecured  
Creditors of Residential Capital, LLC, et al.

**EXHIBIT A**

**Brodsky Declaration**



**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

----- X  
In re: : Chapter 11  
: :  
Residential Capital, LLC, et al., : Case No. 12-12020 (MG)  
: :  
Debtors. : Jointly Administered  
: :  
----- X

**DECLARATION OF JEFFREY A. BRODSKY IN SUPPORT  
OF APPLICATION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS  
FOR ENTRY OF AN ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION  
OF QUEST TURNAROUND ADVISORS, LLC AS  
CONSULTANT TO THE COMMITTEE, NUNC PRO TUNC TO SEPTEMBER 16, 2013**

Pursuant to Rule 2014(a) of the Federal Rules of Bankruptcy Procedure, JEFFREY

A. BRODSKY declares:

1. I am co-founder and managing director of Quest Turnaround Advisors, LLC (“Quest”), which is located at 800 Westchester Avenue, Suite S-520, Rye Brook, New York 10573. I make this declaration (the “Declaration”) in support of the application dated September 16, 2013 (the “Application”) of the duly-appointed Official Committee of Unsecured Creditors (the “Committee”) in the chapter 11 cases (the “Chapter 11 Cases”) of the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) seeking entry of an order, substantially in the form attached to the Application as Exhibit B, authorizing the retention of Quest as consultant to the Committee in compliance with sections 328 and 1103 of chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) and to provide the disclosure required under Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rules 2014-1 and 2016-1 of the Local Bankruptcy Rules for the Southern District of New York (the “Local Bankruptcy Rules”).

2. Unless otherwise stated in this Declaration, I have personal knowledge of the facts hereinafter set forth. To the extent that any information disclosed herein requires subsequent amendment or modification upon Quest's completion of further analysis or as additional information regarding creditors and other parties-in-interest becomes available, one or more supplemental declarations will be submitted to the Court reflecting the same.

**SERVICES TO BE RENDERED**

3. I am co-founder and managing director of Quest, with over two decades of financial and operational experience with an extensive background in crisis and turnaround management within a variety of industries.

4. Subject to approval of the Application, and pursuant to the Engagement Letter, it is expected that Quest's services will include, without limitation, the following consulting services:

- Providing regular updates and information to the Committee regarding:
  - the progress of the Debtors' claims reconciliation process, including determining the adequacy of reserves that may be required upon exit from Chapter 11;
  - the Debtors' progress in developing and implementing an efficient liquidation of the Debtors' remaining assets in a manner that maximizes the value of such assets for the benefit of unsecured creditors;
  - the Debtors' litigation strategy, including the investigation, prosecution, settlement and compromise of claims filed against the Debtors and the estate causes of action;
  - the operating resources required by the Debtors upon exiting from Chapter 11 and the implementation of a process for the transition to the Liquidating Trust following confirmation of the Plan;
- Assisting the Committee in working towards confirmation of the Plan;
- Reviewing the proposed use of estate resources, helping manage Committee and estate expenses, and providing recommendations to the Committee regarding same;
- Providing testimony in the Bankruptcy Court when and if requested by the Committee;

- Participating in meetings internally or with outside constituencies; and
- Providing such other services, advice, or assistance as may be requested by the Committee from time to time in connection with this engagement.

5. Quest will work closely with both the Debtors' and Committee's professionals to ensure there is no unnecessary duplication of services.

**DISINTERESTEDNESS OF PROFESSIONALS**

6. In connection with this proposed engagement, I was provided with a comprehensive list of entities (the "Contact Parties"), that was prepared by the Debtors' counsel, who may have contacts with the Debtors (the "Retention Checklist"). According to the Retention Checklist, the Contact Parties include, but are not limited to: (a) the Debtors and their subsidiaries; (b) the Debtors' foreign subsidiaries; (c) the Debtors' officers and directors; (d) parties to funding agreements with the Debtors; (e) the Debtors' bondholders; (f) the Debtors' landlords and tenants; (g) parties to litigation with the Debtors; (h) judges of the United States Bankruptcy Court for the Southern District of New York and district court judges in New York; (i) attorneys for the Office of the United States Trustee for the Southern District of New York; (j) the Debtors' depository banks; (k) the Debtors' consultants and professionals and professionals retained by other significant non-Debtor parties-in-interest; (l) HELOC investors in the Debtors; (m) counterparties to servicing agreements with the Debtors; (n) significant utility providers to the Debtors; and (o) the Debtors' 50 largest unsecured creditors. A copy of the Retention Checklist is attached hereto as Schedule 1.

7. Quest reviewed the names on the Retention Checklist to determine whether Quest has connections to such parties and, if so, whether such connections relate in any way to the proposed engagement in these Chapter 11 Cases. In addition, I caused the Retention Checklist to be circulated by electronic mail to all Quest members. Any client connection in which Quest had

represented a Contact Party within the last two years was compiled for purposes of this Declaration.

8. Based on this review, it appears that both Quest and I (i) do not hold or represent an interest that is adverse to the Debtors' estates or the Committee on matters on which engaged, (ii) each are a disinterested person who does not hold or represent any interest adverse to and has no connection with (subject to the disclosures set forth below) the Debtors, their creditors, the United States Trustee or any party-in-interest herein in the matters upon which Quest is to be retained, and (iii) each are a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code, subject to the following material disclosures. I believe that Quest's affiliations and connections with the parties listed on the attached Schedule 2 has not affected and will not affect Quest's engagement in these Chapter 11 Cases.

9. To the extent any employee of Quest has a relationship that, in the view of Quest, could give rise to an actual or potential conflict, an ethical screen will be put in place to ensure that such employee does not have access to information related to Quest's representation of the Committee.

#### **PROFESSIONAL COMPENSATION**

10. I have advised the Committee of Quest's willingness to serve as its consultant and to accept compensation and reimbursement of expenses in accordance with its standard billing practices subject to this Court's approval in accordance with the Bankruptcy Code, the Bankruptcy Rules and the Local Bankruptcy Rules and orders of the Court.

11. It is currently contemplated that I will serve as consultant to the Committee during the Chapter 11 Cases, at an hourly rate of \$795/hour. To the extent Quest determines that the Chapter 11 Cases require the services of additional Quest employees, Quest, with the consent

of the Committee, may utilize additional support staff, with hourly rates ranging from \$400 to \$795/hour.

12. Subject to the terms of the Engagement Letter, these hourly billing rates are subject to adjustment annually at such time Quest adjusts its rates generally. Prior to any increases in the rates set forth herein, Quest shall file a supplemental declaration with the Court and give ten business days' notice to the Debtors, the United States Trustee and any official committee, which supplemental declaration shall explain the basis for the requested rate increases in accordance with section 330(a)(3)(F) of the Bankruptcy Code and indicate whether the client has received notice of and approved the proposed rate increase.

13. Quest regularly charges its clients for expenses incurred in connection with the representation of a client in a given matter. Such expenses include, without limitation, travel costs, telecommunications, express or overnight mail, messenger service, photocopying costs, overtime meals, and other computer research related expenses, and, in general, all identifiable expenses that would not have been incurred except for representation of a particular client. Quest will abide by the rules and regulations relating to reimbursement of expenses which have been adopted by this Court and by the Office of the United States Trustee.

14. Quest will not share any compensation it receives with another person and will not share any compensation or reimbursement received by another professional retained in these Chapter 11 Cases.

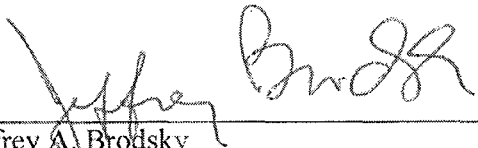
15. Neither I nor Quest is a creditor, equity security holder or an insider of any of the Debtors.

16. Quest and I are not, and were not within the two years prior to the Petition Date, a director, officer, or employee of any of the Debtors.

17. Accordingly, I believe both Quest and I are each a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: Rye Brook, New York  
October 10, 2013

  
\_\_\_\_\_  
Jeffrey A. Brodsky

**SCHEDULE 1**

**Retention Checklist**

**RESIDENTIAL CAPITAL, LLC ET AL.**  
**Case No. 12-12020 (MG)**

**MASTER CONFLICT LIST**

**Debtors and Subsidiaries**

ditech, LLC  
DOA Holding Properties, LLC  
DOA Properties IX (Lots-Other), LLC  
EPRE LLC  
Equity Investment I, LLC  
ETS of Virginia, Inc.  
ETS of Washington, Inc.  
Executive Trustee Services LLC  
GMAC – RFC Holding Company, LLC  
GMAC Model Home Finance I, LLC  
GMAC Mortgage USA Corporation  
GMAC Mortgage, LLC  
GMAC Residential Holding Company, LLC  
GMAC RH Settlement Service, LLC  
GMACM Borrower LLC  
GMACM REO LLC  
GMACR Mortgage Products, LLC  
HFN REO SUB II, LLC  
Home Connects Lending Services, LLC  
Homecomings Financial Real Estate Holdings, LLC  
Homecomings Financial, LLC  
Ladue Associates, Inc.  
Passive Asset Transactions, LLC  
PATI A, LLC  
PATI B, LLC  
PATI Real Estate Holdings, LLC  
RAHI A, LLC  
RAHI B, LLC  
RAHI Real Estate Holdings, LLC  
RCSFJV2004, LLC  
Residential Accredited Loans, Inc.  
Residential Asset Mortgage Products, Inc.  
Residential Asset Securities Corporation  
Residential Capital, LLC  
Residential Consumer Services of Alabama, LLC  
Residential Consumer Services of Ohio, LLC  
Residential Consumer Services of Texas, LLC  
Residential Consumer Services, LLC  
Residential Funding Company, LLC  
Residential Funding Mortgage Exchange, LLC  
Residential Funding Mortgage Securities I, Inc.  
Residential Funding Mortgage Securities II, Inc.  
Residential Funding Real Estate Holdings, LLC  
Residential Mortgage Real Estate Holdings, LLC  
RFC – GSAP Servicer Advance, LLC  
RFC Asset Holdings II, LLC  
RFC Asset Management, LLC  
RFC Borrower LLC  
RFC Construction Funding, LLC  
RFC REO LLC  
RFC SFJV-2002, LLC

**Foreign Subsidiaries**

Canada Mortgage Acceptance Corporation  
Foreign Obligation Exchange, Inc. 2003-H12  
Foreign Obligation Exchange, Inc. 2003-H14  
Foreign Obligation Exchange, Inc. 2004-H11  
Foreign Obligation Export, Inc.  
GMAC Financiera S.A. de C.V. Sociedad  
Financiera de Objeto Multiple  
GMAC Residential Funding of Canada Limited  
GMAC-RFC (No. 2) Limited  
GMAC-RFC Auritec, S.A.  
GMAC-RFC Direct Limited  
GMAC-RFC Espana Hipotecas SL  
GMAC-RFC Europe Limited  
GMAC-RFC Holdings Limited  
GMAC-RFC Property Finance Limited  
High Street Home Loans Limited  
MCA Finance Limited  
National Guarantee plc  
Private Label Group Limited  
Private Label Mortgage Services Limited

**Officers and Directors**

Abreu, Steven M.  
Aretakis, James  
Dondzila, Catherine M.  
Fleming, Patrick  
Hamzehpour, Tammy  
Harney, Anthony J.  
Hills, Garry  
Horner, Jill M.  
III, Edward F. Smith,  
Ilany, Jonathan  
Mack, John E.  
Marano, Thomas  
Meyer, Darsi  
Nees, Louis A.  
Pensabene, Joseph A.  
Riddle, Mindy  
Strauss, Thomas M.  
Tyson, William N.  
West, Pamela E.  
Whitlinger, James  
Wilkinson, Winston Carlos

**Parties to Funding Agreements**

Ally Financial Inc (f/k/a GMAC Inc.)  
Barclays Bank PLC  
Citibank, N.A.  
Wells Fargo Bank, N.A.  
BMMZ Holdings LLC  
US Bank National Association  
Deutsche Bank Trust Company Americas



**Bondholders**

AllianceBernstein Advisors  
American Enterprise Investment Services Inc.  
Appaloosa Management L.P.  
Bank of New York Mellon, (The)/Barclays Capital -  
London  
Bank of Nova Scotia/CDS  
BARC/FIXED  
Barclays Capital Inc. /LE  
Berkshire Hathaway Inc.  
BlackRock Global Investors  
Charles Schwab & Co., Inc.  
CITIBK/GRP  
Citigroup Global Markets Inc.  
Citigroup Global Markets Inc. /Salomon Brothers  
Credit Suisse Securities (USA) LLC  
David Lerner Associates, Inc.  
Deutsche Bank Securities, Inc.  
E\*Trade Clearing LLC  
Edward D. Jones & Co.  
First Clearing, LLC  
First Southwest Company  
Goldman Sachs International  
Goldman, Sachs & Co.  
Interactive Brokers Retail Equity Clearing  
J.P. Morgan Clearing Corp.  
J.P. Morgan Securities LLC  
Janney Montgomery Scott Inc.  
Loomis Sayles & Company  
LPL Financial Corporation  
Merrill Lynch Safekeeping  
Morgan Stanley & Co. LLC  
Morgan Stanley Smith Barney LLC  
National Financial Services LLC  
Oppenheimer & Co. Inc.  
OptionXpress, Inc  
P. Schoenfeld Asset Management  
Paulson & Co. Inc.  
Penson Financial Services, Inc./Ridge.  
Pershing LLC  
Pentwater Capital Management  
Putnam Investment Management  
Raymond, James & Associates, Inc.  
RBC Capital Markets, LLC  
Scottrade, Inc.  
Security Investors LLC  
Silver Point Capital, L.P.  
Stifel, Nicolaus & Company Incorporated  
Taconic Capital Advisors, L.P.  
TD Ameritrade Clearing, Inc.  
Timber Hill LLC  
UBS Financial Services LLC  
UBS Securities LLC  
Vanguard Marketing Corporation  
Western Asset Management Company

**Landlords and Tenants**

2155 Northpark Lane LLC  
2255 Partners, L.P. c/o M. David Paul Development

LLC  
Avenel Realty Company d / b / a Avenel at  
Montgomery Square  
Brandywine Cityplace LP  
BREOF Convergence LP c/o Brookfield Real Estate  
Opportunity Fund  
Business Suites (Texas) LTD  
Center Township of Marion County  
Del Amo Financial Center, LP  
DRA CLP Esplanade LP c/o Colonial Properties  
Services Ltd Partnership  
Euclid Plaza Associates, LLC  
GBM Properties, LLC  
Homeowners Alliance  
Liberty Property Limited Partnership  
National Default Servicing, LLC  
New Towne Center Inc.  
PBC San Jose, LLC  
PBC Walnut Creek, LLC  
Realty World - Graham/Grubbs and Associates  
Regus Management Group LLC  
Teachers Insurance and Annuity Association of  
America c/o Northmarq RES  
The Irvine Company LLC  
The Office Annex, Inc.  
Veridian Credit Union f/k/a John Deere Community  
Credit Union  
W.E.G., Jr., Inc. d / b / a Highland-March Beverly  
Suites

**Parties to Litigation**

Acacia Life Insurance Company  
Allstate Bank (f/k/a Allstate Federal Savings Bank)  
Allstate Insurance Company  
Allstate Life Insurance Company  
Allstate Life Insurance Company of New York,  
Allstate Retirement Plan  
Allstate New Jersey Insurance Company  
American Heritage Life Insurance Company  
Ameritas Life Insurance Corp.  
Assured Guaranty Municipal Corp.  
Boilermaker Blacksmith National Pension Trust  
Brown County, Ohio  
Cambridge Place Investment Management Inc.  
Church-Dellinger, Victoria Jean  
Columbus Life Insurance Company  
Deutsche Zentral-genossenschaftsbank, New York  
Branch, d/b/a DZ Bank AG, New York Branch  
DG Holding Trust  
Federal Home Loan Bank of Boston  
Federal Home Loan Bank of Chicago  
Federal Home Loan Bank of Indianapolis  
Federal Home Loan Mortgage Corporation  
Federal Housing Finance Agency  
Financial Guaranty Insurance Company  
First Colonial Insurance Company  
Fort Washington Active Fixed Income LLC  
Fort Washington Investment Advisors, Inc.  
HSH Nordbank AG

HSH Nordbank AG, Luxembourg Branch  
HSH Nordbank AG, New York Branch  
HSH Nordbank Securities S.A.  
Huntington Bancshares Inc.  
IKB Deutsche Industriebank AG  
IKB International S.A. (in Liquidation)  
Integrity Life Insurance Company  
Kennett Capital, Inc.  
Kral, Kenneth L.  
Laster, Martea  
Massachusetts Mutual Life Insurance Company  
MBIA Insurance Corporation  
Mitchell, Ruth  
Mitchell, Steven  
National Credit Union Administration Board  
National Integrity Life Insurance Company  
New Jersey Carpenters Health Fund  
New Jersey Carpenters Vacation Fund  
Rio Debt Holdings (Ireland) Limited  
Sall, Mohammed A.  
Sealink Funding Ltd.  
State of Ohio  
Stichting Pensioenfond ABP  
The Charles Schwab Corporation  
The Union Central Life Insurance Company  
The Western and Southern Life Insurance Company  
Thrivent Balanced Fund  
Thrivent Balanced Portfolio  
Thrivent Bond Index Portfolio  
Thrivent Core Bond Fund  
Thrivent Financial Defined Benefits Plan Trust  
Thrivent Financial for Lutherans  
Thrivent Income Fund  
Thrivent Limited Maturity Bond Fund  
Thrivent Limited Maturity Bond Portfolio  
U.S. Central Federal Credit Union  
West Virginia Investment Management Board  
Western Corporate Federal Credit Union  
Western-Southern Life Assurance Company

**U.S. Trustee's Office (Region 2 Trial Attorneys)**

Davis, Tracy Hope  
Driscoll, Michael  
Gasparini, Elisabetta  
Golden, Susan  
Khodorovsky, Nazar  
Masumoto, Brian S.  
Morrissey, Richard C.  
Nakano, Serene  
Riffkin, Linda A.  
Schwartz, Andrea B.  
Schwartzberg, Paul K.  
Velez-Rivera, Andy  
Zipes, Greg M.

**Bankruptcy Judges (New York)**

Bernstein, Stuart M.  
Chapman, Shelley C.  
Drain, Robert

Gerber, Robert E.  
Glenn, Martin  
Gropper, Allan L.  
Lane, Sean H.  
Lifland, Burton R.  
Morris, Cecelia G.  
Peck, James M.

**District Court Judges (New York)**

Baer, Harold  
Batts, Deborah A.  
Berman, Richard M.  
Briccetti, Vincent L.  
Buchwald, Naomi Reice  
Carter, Andrew L.  
Castel, P. Kevin  
Cedarbaum, Miriam Goldman  
Cote, Denise L.  
Crotty, Paul A.  
Daniels, George B.  
Duffy, Kevin T.  
Engelmayer, Paul A.  
Forrest, Katherine B.  
Gardephe, Paul G.  
Griesa, Thomas P.  
Haight, Charles S.  
Hellerstein, Alvin K.  
Jones, Barbara S.  
Kaplan, Lewis A.  
Karas, Kenneth M.  
Koeltl, John G.  
Marrero, Victor  
McKenna, Lawrence M.  
McMahon, Colleen  
Nathan, Alison J.  
Oetken, J. Paul  
Owen, Richard  
Patterson, Robert P.  
Pauley, William H.  
Preska, Loretta A.  
Rakoff, Jed S.  
Ramos, Edgardo  
Sand, Leonard B.  
Scheindlin, Shira A.  
Seibel, Cathy  
Stanton, Louis L.  
Stein, Sidney H.  
Sullivan, Richard J.  
Swain, Laura Taylor  
Sweet, Robert W.  
Wood, Kimba M.

**Depositing Banks**

Ally Bank  
Bank of America, N.A.  
Bank of New York Mellon  
Citibank, N.A.  
Deutsche Bank Trust Company Americas  
JPMorgan Chase Bank, N.A.

M&T Bank  
State Street Bank and Trust Company  
U.S. Bank National Association  
Wachovia Bank, National Association

**Consultants & Professionals**

AlixPartners  
Analytic Focus, LLC  
Barclays Bank PLC  
Bradley Arant Boult Cummings LLC  
Carpenter Lipps & Leland LLP  
Centerview Partners LLC  
Chadbourne & Parke LLP  
Coherent Economics LLC  
Curtis, Mallet-Prevost, Colt & Mosle LLP  
Deloitte & Touche  
Dorsey & Whitney LLP  
Epiq Bankruptcy Solutions, LLC  
Evercore  
Fortace LLC  
Fortress Investment Group, LLC  
FTI Consulting, Inc.  
Gonzalez, Arthur J.  
Hudson Cook LLP  
J.F. Morrow  
Kirkland & Ellis LLP  
KPMG LLP  
Kramer Levin Naftalis & Frankel LLP  
Kurtzman Carson Consultants LLC  
Mayer Brown LLP  
Mesirow Financial Consulting, LLC  
Mercer (US) Inc.  
Moelis & Company LLC  
Morrison & Foerster LLP  
Nationstar Mortgage, LLC  
Orrick, Herrington & Sutcliffe LLP  
Pepper Hamilton LLP  
PricewaterhouseCoopers  
Rubenstein Associates, Inc.  
San Marino Business Partners LLC  
Severson & Werson PC  
Sidley Austin LLP  
Skadden, Arps, Slate, Meagher & Flom LLP  
Towers Watson Delaware Inc.

**HELOC Investors**

5th 3rd bank  
Aurora Loan Services LLC  
Bank One, Texas N.A.  
Deutsche Bank National Trust Co.  
Everbank  
JP Morgan Chase  
Macquarie Mortgages USA Inc  
Suntrust  
The Bank of New York Mellon  
Treasury Bank, N.A.  
Us Bank, N.A.  
Wachovia Bank Na  
Wells Fargo Bank, N.A.

**Servicing Counterparties**

**Government Entities and GSEs**

Federal Home Loan Mortgage Corporation (Freddie Mac)  
Federal Housing Administration (FHA)  
Federal National Mortgage Association (Fannie Mae)  
Government National Mortgage Association (Ginnie Mae)

**Housing and Local Agencies**

California Housing Finance Agency  
CitiMortgage, Inc., as administrator for Texas Veterans Land Board  
Connecticut Housing Finance Authority  
Delaware Housing Authority  
Hawaii Housing (Hula Mae)  
Housing Opportunities Commission of Montgomery County, Maryland  
Mississippi Home Corporation  
Neighborhood Housing Services of America and Philadelphia N.H.S.  
Oregon Housing and Community Services Department  
Redevelopment Authority of the County of Berks Rural Housing  
The Housing and Redevelopment Authority in and for the City of Minneapolis  
The Industrial Commission of North Dakota

**Mortgage and Monoline Insurers**

The ACE Group  
Ambac  
Assured Guaranty Corp.  
Cuna Mutual Group Mortgage Insurance Company  
FGIC  
Financial Security Assurance Inc  
Federal Insurance Group (a subsidiary of the Chubb Group of Insurance Companies)  
General Electric Mortgage Insurance Corporation  
Genworth Mortgage Insurance Corporation  
MBIA  
Mortgage Guaranty Insurance Corp.  
PMI Mortgage Insurance Co.  
Radian Asset Assurance Inc.  
Radian Guaranty Inc.  
Republic Mortgage Insurance Company  
Triad Guaranty Insurance Corporation  
United Guaranty Residential Insurance Company

**Trustees**

Bank One, National Association  
BNY Midwest Trust Company  
Chase Bank of Texas, N.A.  
Citibank, N.A.  
Deutsche Bank National Trust Company  
Deutsche Bank Trust Company Americas

HSBC Bank USA, National Association  
JPMorgan Chase Bank, N.A.  
LaSalle Bank National Association  
Security Pacific National Company  
The Bank of New York Mellon  
U.S. Bank National Association  
US National Association  
Wells Fargo Bank Minnesota, N.A.  
Wells Fargo Bank, National Association  
Wilmington Trust Company

**Other Counterparties to Servicing Agreements**

50 BY 50, LLC  
ABN AMRO Mortgage Croup, Inc.  
Access National Mortgage Corporation  
Ace Home Equity Loan Trust, Series 2007-SL3  
ACE Securities Corp.  
ACT Mortgage Capital  
Advantage Bank  
Aegis Mortgage Corporation  
Aegon USA Realty Advisors  
Alliance Bancorp  
Alliance Securities Corp.  
Ally Bank  
Ally Financial Inc.  
Ally Investment Management LLC  
Alternative Finance Corporation  
Amalgamated Bank of New York  
American Equity Mortgage, Inc.  
American Home Mortgage  
American Home Mortgage Acceptance, Inc.  
American Home Mortgage Investment Trust 2005-2  
American Home Mortgage Investment Trust 2005-4A  
American Home Mortgage Investment Trust 2006-2  
American Home Mortgage Investment Trust 2007-A  
American Home Mortgage Servicing, Inc.  
American Home Mortgage Trust 2004-4  
American Home Mortgage Trust 2005-1  
American Home Mortgage Trust 2005-2  
American Home Mortgage Trust 2005-4A  
American Residential Equities XXVII, LLC  
American Residential Equities, LLC  
Ameriquest Mortgage Company  
Andover Bank  
Arbor Commercial Mortgage, LLC  
Asset Management Holding of South Florida, LLC  
Assured Guaranty Municipal Corp  
Atlantic Financial Federal  
Audobon Savings Bank  
Aurora Loan Services Inc.  
Aurora Loan Services LLC  
Banc of America Funding 2005-3 Trust  
Banc of America Funding 2005-8 Trust  
Banc of America Funding 2006-1 Trust  
Banc of America Funding 2006-4 Trust  
Banc of America Funding Corporation  
Banc of America Mortgage Capital Corporation

Bancap  
Banco Mortgage Company  
Banco Popular North America  
Bank of America, National Association  
Bank of Hawaii  
Bank One, Texas, N.A.  
Bank Rhode Island  
Bank United, FSB  
Bankatlantic, A Federal Savings Bank  
Bankers Saving  
Bankers Trust Company  
Banknorth Mortgage  
Bay Atlantic Federal Credit Union  
Bay Financial Savings Bank, FSB  
Bayrock Mortgage Corporation  
Bayview Acquisitions, LLC  
Bayview Financial Asset Trust  
Bayview Financial Property Trust  
Bayview Financial Securities Company, LLC  
Bayview Financial Trading Group, L.P.  
Bayview Financial, L.P.  
Bear Stearns Asset Backed Securities I, LLC  
Bear Stearns Mortgage Capital Corporation  
Bear Stearns Second Lien Trust 2007-1  
Bear Stearns Second Lien Trust 2007-SV1  
Bell Federal Savings and Loan Association  
BellaVista Funding Corporation  
Belvedere Trust Finance Corporation  
Bluebonnet Savings Bank FSB  
BMMZ Holdings LLC  
Broadway Federal Bank, FSB  
Brothers Bank, FSB  
Butte Savings and Loan Association  
Caliber Funding, LLC  
California Banking Association  
California Federal Bank, FSB  
California Public Employees' Retirement System  
Cambridge Place Collateral Management LLC  
Canada Mortgage Acceptance Corporation  
Capital Crossing Bank  
Capitol Federal Savings and Loan Association  
Capstead Mortgage Corporation  
CDC Mortgage Capital Inc. (Natixis)  
Cenfed Bank, a Federal Savings Bank  
Cenlar FSB  
CenterState Bank of Florida, N.A.  
Central Bank of Jefferson County, Inc.  
Century Bank, FSB  
CFX Bank  
Charter One Bank, FSB  
Charter One Bank, N.A.  
Chase Manhattan Mortgage Corporation  
Chemical Mortgage Company  
Citi Financial Mortgage Co., Inc  
Citibank (West), FSB  
Citigroup Global Markets Realty Corp.  
Citigroup Mortgage Loan Trust Inc.  
CitiMortgage, Inc.  
Citizens Bank of Connecticut

Citizens Bank of Massachusetts  
Citizens Bank of New Hampshire  
Citizens Bank of Pennsylvania  
Citizens Bank, N.A.  
Citizens Federal Bank, FSB  
Clayton Fixed Income Services Inc.  
Clayton National, Inc.  
CMC Investment Partnership  
Coastal Banc Capital Corporation  
Coastal Banc SSB  
Coastal States Mortgage Corporation  
Collective Federal Savings Bank  
Colonial Mortgage Service Company  
Comerica Bank  
Community Lending, Incorporated  
Communityone Bank, N.A.  
ComUnity Lending, Incorporated  
Copperfield  
Core, Cap Inc.  
Corona Asset Management III, LLC  
Countrywide Bank, N.A.  
Countrywide Home Loans Servicing, LP  
Countrywide Home Loans, Inc.  
Credit Suisse First Boston Mortgage Securities Corp.  
CSX  
CTCE Federal Credit Union  
CTX Mortgage Company, LLC  
DB Structured Products, Inc.  
Deutsche Alt-A Securities, Inc.  
Deutsche Bank AG New York Branch  
Deutsche Mortgage Securities, Inc.  
DLJ Mortgage Acceptance Corp.  
DLJ Mortgage Capital, Inc.  
Dollar Bank, FSB  
Drawbridge Consumer Funding Ltd  
Dynex Securities Corporation  
E\*Trade Bank  
E\*Trade Mortgage  
E\*Trade Wholesale Lending Corp.  
EAB Mortgage Company, Inc.  
EMC Mortgage Corporation  
Empire Mortgage X, Inc.  
Encore Bank and National Association  
Encore Savings Bank  
Erie Savings Bank  
Eurekabank  
EverBank  
Fairbanks Capital Corp.  
Fairfax Savings Bank  
Family Bank, FSB  
Family Lending Services, Inc.  
FBS Mortgage Corporation  
Federal Home Loan Bank of Atlanta  
Federal Trust Bank, FSB  
Fidelity Federal Bank  
Fidelity Savings and Loan  
Fifth Third Bank  
Financial Asset Securities Corp.

First Bank Incorporated  
First Bank, Inc.  
First Cap Holdings, Inc.  
First Citizens Bank and Trust Company  
First Citizens Mortgage Company  
First Community Bank N.A.  
First Federal of Michigan  
First Federal Savings and Loan Association of Storm Lake  
First Guaranty Mortgage Corporation  
First Horizon Home Loan Corporation  
First Indiana Bank  
First Internet Bank of Indiana  
First Massachusetts Bank, N.A.  
First National Bank and Trust Company  
First National Bank of Arizona  
First National Bank of El Dorado  
First Nationwide Mortgage Corporation  
First NLC  
First Rate Capital Corporation  
First Savings Mortgage Corporation  
First Tennessee Bank National Association  
First Tennessee Capital Assets Corporation  
First Trust Savings Bank  
First Union National Bank  
First-Citizens Bank & Trust Company  
Firstrust Bank  
Fleet National Bank  
Flex Point Funding Corporation  
Flick Mortgage Investors, Inc.  
FNBA  
Fortress Credit Corp.  
FPA Corporation  
Franklin Bank, SSB  
Franklin Credit  
Franklin Credit Management Corporation  
Gateway Credit Union  
Gateway Funding Diversified Mortgage Services, LP  
GE Capital Consumer Card Co.  
GE Mortgage Services, LLC  
Geneva Mortgage Corporation  
Germantown Savings Bank  
Gibraltar Savings Association  
Ginn Financial Services, LLC  
Goldman Sachs Mortgage Company  
Gonzalo Residential Asset Trust  
Great American First Savings Bank  
Great American Savings Bank  
Green Planet Servicing, LLC  
Green Tree Servicing LLC  
GreenPoint Mortgage Funding Trust 2005-HE4  
GreenPoint Mortgage Funding Trust 2006-HE1  
GreenPoint Mortgage Funding, Inc.  
Greenwich Capital Acceptance, Inc.  
Greenwich Capital Financial Products, Inc.  
Greenwich Universal Portfolio  
GS Mortgage Securities Corp.  
GSAA Home Equity Trust 2005-9

GSMPS Mortgage Loan Trust 2005-LT1  
GSR Mortgage Loan Trust 2006-AR2  
GSR Trust 2007-HEL1  
Guardian Savings Bank  
Hanover Capital Mortgage Holdings, Inc.  
HarborView Mortgage Loan trust 2004-10  
Healthcare Employees Federal Credit Union  
Home Equity Loan Trust 2005-HS2  
Home Equity Loan Trust 2006-HSA2  
Home Equity Loan Trust 2006-HSA3  
Home Equity Loan Trust 2006-HSA5  
Home Equity Loan Trust 2007-HSA1  
Home Equity Loan Trust 2007-HSA3  
Home Federal Savings & Loan Association of  
Rome, Ga.  
Home Loan Corporation  
Home Loan Series 09-2028  
HomeBanc Mortgage  
HomEq Servicing Corporation  
Horsham Funding Inc.  
HSI Asset Securitization Corporation  
Hudson & Keyse, LLC  
Hudson City Savings Bank  
Huntington Federal Savings & Loan Association  
Hyperion Capital Group LLC  
IMPAC CMB Trust Series 2005-6  
IMPAC Funding Companies  
IMPAC Funding Corporation  
IMPAC Mortgage Holdings, Inc.  
IMPAC Secured Assets Corp.  
Imperial Credit Industries, Inc.  
Independent Bank East Michigan  
IndyMac Bank, FSB (now OneWest Bank, FSB)  
IndyMac MBS, Inc.  
IndyMac Mortgage Holdings, Inc.  
ING Bank, FSB  
Investment Capital Group  
Irwin Union Bank and Trust Company  
Ixis Real Estate Capital Inc  
Jackson Federal Bank  
Just Mortgage, Inc.  
Kaiser Federal Bank  
Keystone Nazareth Bank & Trust Company  
Kidder Peabody Mortgage Capital Corporation  
Lacera  
Lebank  
Lehman Brothers Bank, FSB  
Lehman Brothers Holdings Inc.  
Lehman Capital, a division of Lehman Brothers  
Holdings Inc.  
Liberty Home Lending, Inc.  
Liberty Savings Bank, FSB  
Linden Assemblers Federal Credit Union  
Litton Loan Servicing, LP  
LNV Corporation  
Loan Center of California  
Loan Link Financial Services  
Local #38 and Associates Credit Union  
Lomas Mortgage USA, Inc.

Los Angeles County Employees Retirement  
Association  
Los Angeles Federal Savings  
LPP Mortgage Ltd.  
Luminent Mortgage Capital, Inc.  
Lydian Private Bank  
Macquarie Mortgage Funding Trust 2007-1  
Macquarie Mortgages USA, Inc.  
MAIA Mortgage Finance Statutory Trust  
Marine Bank  
Market Street Mortgage Corporation  
Massachusetts Mutual Life Insurance Co.  
Matrix Capital Bank  
MB Financial Bank N.A.  
Medway Savings Bank  
Mellon Bank  
Mellon/McMahon Real Estate Advisors Inc.  
Merck Sharp & Dohme Federal Credit Union  
Mercury Mortgage Finance Statutory Trust  
Meridian Mortgage Corporation  
Merrill Lynch Bank & Co.  
Merrill Lynch Hunton Paige  
Merrill Lynch Mortgage Capital Inc.  
Merrill Lynch Mortgage Holdings, Inc.  
Merrill Lynch Mortgage Investors, Inc.  
Merrill Lynch Mortgage Lending, Inc.  
Metlife Bank, N.A.  
Metrocities Mortgage Corp., LLC  
Metropolitan Life Insurance Company  
Mid America Bank, FSB  
MidFirst Bank  
Midland Financial Savings and Loan Association  
Mint I, LLC  
Mint II, LLC  
Money Bank Investment Corporation  
Monterey I Holdings  
Morgan Stanley Capital I Inc.  
Morgan Stanley Mortgage Capital Inc.  
Morgan Stanley Mortgage Loan Trust 2005-3AR  
Mortgage Asset Securitization Transactions, Inc.  
Mortgage Asset Securitization Trust  
Mortgage Interest Networking Trust II  
Mortgage Investors Corporation  
MortgageIT Holdings Inc.  
MortgageIT Securities Corp.  
MortgageIT Trust 2005-4  
MortgageIT, Inc  
MRF 3 LLC  
Mrit Securities Corporation  
Mutual Savings & Loan Association of Charlotte,  
N.C.  
Mutual Savings Bank  
National Bank of Commerce  
NETBANK  
Network Funding L.P.  
Neuwest Equity Partners  
New Century Mortgage Securities, Inc.  
New Cumberland Federal Credit Union  
New Penn Financial, LLC

New York Life Insurance and Annuity Corporation  
New York Life Insurance Company  
Nomura Asset Acceptance Corporation  
Nomura Credit & Capital, Inc.  
Nomura Home Equity Loan, Inc.  
North Jersey Federal Credit Union, Inc.  
Northwest Funding, Inc.  
Northwestern National Bank of Minneapolis  
Norwest Bank Minnesota, National Association  
Norwest Mortgage, Inc.  
Ocwen Federal Bank FSB  
Ocwen Loan Servicing, LLC  
Ohio Savings Bank  
Opteum Financial Services, LLC  
Option One Mortgage Corporation  
Paine Webber Real Estate Securities Inc.  
Parkside Lending, LLC  
Parkvale Savings Bank  
Paul Financial, LLC  
People Savings Bank, Inc., SSB  
Peoples Heritage Savings Bank  
PHH Mortgage  
Philadelphia Federal Credit Union  
Pinnacle Capital Mortgage Corporation  
Pinnacle Financial Corporation  
Plaza Home Mortgage, Inc.  
PMC Bancorp  
PNC Bank, N.A.  
PNC Mortgage Securities Corp.  
Pomona First Federal Bank and Trust  
Principal Asset Markets, Inc.  
Principal Bank  
Principal Mutual Life Insurance Company  
Private Capital Group  
Quaker City Bank  
Quicken Loans Inc.  
RBS Citizens, National Association  
Real Time Resolutions, Inc.  
Real Time Solutions  
Realty Mortgage Corporation  
Redlands Federal Bank, FSB  
Redwood Trust, Inc.  
Reliance Federal Credit Union  
Residential Mortgage Assistance Enterprise, LLC  
Resolution Capital Advisors, LLC  
Ridgewood Savings Bank  
Riggs Bank N.A.  
Rochester Community Savings Bank  
Roosevelt Management Company, LLC  
RWT Holdings, Inc.  
Ryland Acceptance Corporation Four  
SACO I Trust 2005-GP1  
SACO I Trust 2006-8  
Salomon Brothers Realty Corp.  
Saxon Mortgage Funding Corporation  
Sea Breeze Financial Services, Inc.  
Sebring Capital  
Secured Bankers Mortgage Company  
Security National

Security Pacific National Bank  
Select Portfolio Servicing Inc.  
Sequoia Funding Trust  
Sequoia Residential Funding, Inc.  
Shearson Lehman Government Securities, Inc.  
Shellpoint Mortgage LLC  
Sierra Pacific Mortgage, Inc.  
Silver State Financial Services, Inc.  
Silvergate Bank  
Skyline Financial Corp.  
SMFC Funding Corporation  
SN Servicing Corporation  
SNBOA, LLC  
Southbank  
Southern Pacific Thrift and Loan Association  
SouthStar Funding, LLC  
Southwest Savings and Loan Association  
Sovereign Bank, FSB  
Specialized Loan Servicing LLC  
St. Paul Federal Bank for Savings  
Stanwich Mortgage Acquisition Company, LLC  
Sterling Savings Bank  
Steward Financial, Inc.  
Stonebridge Bank  
Structured Asset Mortgage Investments II Inc.  
Structured Asset Mortgage Investments, Inc.  
Structured Asset Securities Corporation  
Structured Mortgage Investments II Inc.  
Summit Savings & Loan Association  
Suntrust Asset Funding, LLC  
Superior Bank  
Susquehanna Bank  
Syncora Guarantee Inc.  
Taylor, Bean Whitaker  
TCF National Bank  
TCIF, LLC  
TeleBank  
Terwin Advisors LLC  
Terwin Mortgage Trust 2006-6  
Terwin Securitization LLC  
The Canada Trust Company  
The Chase Manhattan Bank  
The First Boston Corporation  
The First National Bank of Glens Falls  
The Frost National Bank  
The Mortgage Store Financial, Inc.  
The New York Mortgage Company, LLC  
The Travelers Indemnity Company  
The Winter Group  
Treasury Bank, N.A.  
Tri Counties Bank  
Tri Country Area Federal Credit Union  
Truman Capital Securitization LLC  
UBS Real Estate Securities Inc.  
UBS Warburg Real Estate Securities Inc.  
UBS Warburg, LLC  
United Capital Mortgage, LLC  
United Federal Savings Bank  
United Financial Mortgage Corporation

United Savings Association of Texas, FSB  
Unity Bank  
Universal Master Servicing, LLC  
US Bank Home Mortgage  
USAA Federal Savings Bank  
Valley Independent Bank  
Vermont Mortgage Group, Inc.  
Wachovia Bank, National Association  
Wachovia Mortgage Corporation  
Walter Mortgage Company  
Washington Mutual Bank  
Washington Mutual Mortgage Securities Corp.  
Webster Bank  
Western Financial Savings Bank, FSB  
WestStar Mortgage, Inc.  
Wilshire Credit Corporation  
Winter Group  
Witmer Funding LLC  
WMCC Clayton / Washington Mutual Bank  
WMD Capital Markets, LLC

**Utilities**

Abovenet Communications Inc.  
AT&T  
AT&T Mobility  
Center Point Energy  
CenturyLink  
Cisco Systems Capital Corporation  
City of Eden Prairie  
Comcast  
Dish Network  
Genesys Conferencing  
Global Capacity Group Inc.  
IEX Corporation  
Inova Solutions  
Intercall  
Intervoice Inc.  
Level 3 Communications LLC  
MediaCom  
Micro-Tel Center  
MidAmerican Energy  
Sprint  
Time Warner Cable  
Time Warner Telecom  
Verizon  
Verizon Business  
Verizon California  
Verizon Wireless  
Waste Management  
Waterloo Water Works  
Xcel Energy

**Consolidated Top 50 Creditors**

Aegis Usa Inc.  
Alan Gardner  
Allstate Insurance  
Ambac Assurance Corp  
Assured Guaranty Corp.  
BNYMellon

Boilermaker Blacksmith National Pension Trust  
Brian Kessler, et al  
Cambridge Place Investment Management Inc.  
Credstar  
Deutsche Bank AG, New York  
Deutsche Bank Trust Company Americas  
Don E. Diane M. Patterson  
Donna Moore  
Emortgage Logic  
Federal Home Loan Bank of Boston  
Federal Home Loan Bank of Chicago  
Federal Home Loan Bank of Indianapolis  
Federal Housing Finance Agency  
Financial Guaranty Insurance Co.  
Huntington Bancshares Inc.  
Indecomm Global Services  
Iowa Public Employees Retirement System  
Lehman Brothers Holdings, Inc.  
Loan Value Group  
Massachusetts Mutual Life Insurance Company  
MBIA, Inc.  
Midwest Operating Engineers Pension Trust Fund  
National Credit Union Administration Board  
New Jersey Carpenters Health Fund  
New Jersey Carpenters Vacation Fund  
Orange County Employees Retirement System  
Police and Fire Retirement System of the City of  
Detroit  
Sealink Funding Limited  
Steven And Ruth Mitchell  
Stichting Pensioenfonds ABP  
The Charles Schwab Corporation  
The Union Central Life Insurance Company  
Thrivent Financial for Lutherans  
Tiffany Smith  
US Bank  
Wells Fargo & Company  
Wells Fargo Bank N.A  
West Virginia Investment Management Board  
Western & Southern

**Members of the Creditors' Committee**

Allstate Life Insurance Company  
AIG Asset Management (U.S.), LLC  
The Bank of New York Mellon Trust Company,  
N.A.  
Deutsche Bank Trust Company Americas  
Drennen, Rowena L.  
Financial Guaranty Insurance Company  
MBIA Insurance Corporation  
U.S. Bank National Association  
Wilmington Trust, N.A.

**Rule 2004 Motion Parties**

AlixPartners  
Cerberus Capital Management, L.P.  
Cerberus FIM Investors LLC  
Cerberus FIM, LLC  
FIM Holdings LLC



General Motors Company  
Gibbs & Bruns, LLP  
GMAC Bank  
GMAC Commercial Finance, LLC  
GMAC LLC  
GMAC Mortgage Group, LLC  
Houlihan Lokey  
IB Finance Holding Company, LLC  
Kelly Drye & Warren LLP  
Kramer Levin et al  
Moelis & Company  
Morrison & Foerster LLP  
Morrison Cohen LLP  
National Motors Bank FSB  
Ropes & Gray LLP  
White & Case

**SCHEDULE 2**

**Schedule of Connections with Potential Parties in Interest**

**SCHEDULE OF CONNECTIONS WITH POTENTIAL PARTIES IN INTEREST**

Unless otherwise noted in the Brodsky Declaration or herein, all connections described below are not related to the Debtors' Chapter 11 Cases and represent less than 1% of Quest's revenue for fiscal years 2011, 2012 and year 2013 to date.

| <b><u>Interested Party</u></b>  | <b><u>Relationship to Debtors</u></b>      | <b><u>Description of Relationship</u></b>   |
|---------------------------------|--|---|
| AboveNet Communications         | Utilities                                  | Mr. Brodsky previously served as chairman of the board of directors of the interested party. Mr. Brodsky no longer serves as chairman of the board, and has no ongoing connection to the interested party.  |
| AlixPartners                    | Consultants & Professional                 | Quest previously subcontracted with the interested party in the FINOVA bankruptcy case. Mr. Brodsky's role focused on developing FINOVA's business plan and preparing FINOVA to file for protection under Chapter 11.   |
| Appaloosa Management, LP        | Bondholder                                 | Quest previously served as an advisor to the official committee of unsecured creditors in the NTL Incorporated bankruptcy case, in which the interested party played a significant role, and later served as President and CEO and served on the board of directors of the reorganized company. In addition, Quest previously served as an advisor to the official committee of unsecured creditors of Adelphia Communications Corp. (" <u>Adelphia</u> ") and currently serves as a Plan Administrator of Adelphia, which engagement Mr. Brodsky leads. The interested party also played a significant role in the Adelphia bankruptcy case. |
| Aurelius Capital Management, LP | Ad Hoc Group of Junior Secured Noteholders | Quest was proposed as plan administrator in a chapter 11 plan proposed by the interested party in the Tribune bankruptcy cases. The chapter 11 plan proposed by the interested party ultimately was not confirmed by the Bankruptcy Court.  |
| Honorable Shelley C. Chapman    | Bankruptcy Judges (New York)               | The interested party previously represented Mr. Brodsky in his role as an officer at Integrated Resources. The interested party also previously served as Debtors' counsel in a Adelphia Communications Corp. where Quest served as Plan Administrator for the confirmed chapter 11 plan.   |
| Kirkland & Ellis                | Consultants & Professional                 | The interested party represents Horizon Lines, Inc. for which Mr. Brodsky serves as chairman of the board of directors.   |
| Western Asset Management        | Bondholders                                | The interested party is a significant shareholder and lender to Horizon Lines, Inc., for which Mr. Brodsky serves as chairman of the board of directors.  |

**EXHIBIT B**

**Proposed Order**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

|   |   |                        |
|---|---|------------------------|
| -----                                     | x |                        |
| In re:                                    | : | Chapter 11             |
|   | : |                        |
| Residential Capital, LLC, <u>et al.</u> , | : | Case No. 12-12020 (MG) |
|   | : |                        |
| Debtors.                                  | : | Jointly Administered   |
|   | : |                        |
| -----                                     | x |                        |

**ORDER APPROVING RETENTION OF QUEST TURNAROUND ADVISORS, LLC AS  
CONSULTANT TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS,  
NUNC PRO TUNC TO SEPTEMBER 16, 2013**

Upon the application, dated October 10, 2013 (the “Application”), of the Official Committee of Unsecured Creditors appointed in the above-captioned cases (the “Committee”) for entry of an order (the “Order”) authorizing the retention of Quest Turnaround Advisors, LLC (“Quest”) as consultant to the Committee effective as of September 16, 2013, as more fully described in the Application; and upon the Declaration of Jeffrey A. Brodsky (the “Brodsky Declaration”), managing director of Quest, dated October 10, 2013, attached to the Application as Exhibit A; and the Court being satisfied that based on the representations made in the Application and the Brodsky Declaration that Quest is “disinterested” as such term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and as required under section 327(a) of the Bankruptcy Code, and that Quest represents no interest adverse to the Debtors’ estates or the Committee with respect to the matters upon which it is to be engaged; and the Court having jurisdiction to consider the Application and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Application and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and the Amended Standing Order M-431 of Referral of Cases to Bankruptcy Court Judges of the District Court for the Southern District of New York, dated January 31, 2012

(Preska, Acting C.J.); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Application having been provided; and the Court having found and determined that the relief sought in the Application is in the best interests of the Committee and that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Application is granted to the extent provided herein; and it is further

ORDERED that in accordance with sections 328 and 1103 of the Bankruptcy Code and Bankruptcy Rule 2014 and Local Bankruptcy Rule 2014-1, the Committee is authorized to retain and employ Quest as its consultant in accordance with the terms and conditions set forth in the Application and the Engagement Letter, *nunc pro tunc* to September 16, 2013, *provided, however*, that this authorization shall not extend to the employment and retention of Quest as Liquidating Trust Manager, the rights of parties with respect to which are preserved; and it is further

ORDERED that the Engagement Letter is incorporated herein by reference and approved in all respects; and it is further

ORDERED, that to the extent the Application or the Engagement Letter is inconsistent with this Order, the terms of this Order shall govern; and it is further

ORDERED, that, notwithstanding anything to the contrary in the Engagement Letter, the indemnification provisions are hereby modified and restated in its entirety as follows:

All requests of Quest for payment of indemnity pursuant to the Engagement Letter shall be made by means of an application (interim or final as the case may be) and shall be subject to review by the Court to ensure that payment of such indemnity conforms to the terms of the Engagement Letter and is reasonable based upon the circumstances of the litigation or settlement in respect of which indemnity is sought, provided, however, that in no event shall Quest be

indemnified in the case of its own bad-faith, self-dealing, breach of fiduciary duty (if any), gross negligence or willful misconduct.

In the event that Quest seeks reimbursement from the Debtors for reasonable attorneys' fees in connection with a request by Quest for payment of indemnity pursuant to the Engagement Letter, as modified by this Order, the invoices and supporting time records from such attorneys shall be included in Quest's own application (both interim and final) and such invoices and time records shall be subject to the Fee Guidelines and the approval of the Court under the standards of sections 330 and 331 of the Bankruptcy Code without regard to whether such attorney has been retained under section 327 of the Bankruptcy Code and without regard to whether such attorneys' services satisfy section 330(a)(3)(C) of the Bankruptcy Code.

Quest shall not be entitled to reimbursement by the Debtors for any fees, disbursements and other charges of Quest's counsel other than those incurred in connection with a request of Quest for payment of indemnity or preparation of fee application.

ORDERED, that Quest shall be compensated for fees and reimbursed for reasonable and necessary expenses and will file interim and final fee applications for allowance of its compensation and expenses (including the fees of Quest's attorneys in preparing and presenting its fee applications) in accordance with sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Amended Order Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals, dated December 21, 2010, the Amended Guidelines for Fees and Disbursements for Professionals in the Southern District of New York, dated January 29, 2013 (General Order M-447), and the United States Trustee Fee Guidelines (collectively, the "Fee Guidelines"), and the monthly compensation order; and it is further

ORDERED that prior to any increases in rates as set forth in the Application, Quest shall file a supplemental declaration with the Court and give ten business days' notice to the Debtors, the United States Trustee and any official committee, which supplemental declaration shall

explain the basis for the requested rate increases in accordance with section 330(a)(3)(F) of the Bankruptcy Code and indicate whether the client has received notice of and approved the proposed rate increase; and it is further

ORDERED, that the services to be performed by Quest shall not duplicate the services performed by any other professional retained in this case; and it is further

ORDERED that the terms and conditions of this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that the Committee is authorized and empowered to take all actions necessary to implement the relief granted in this Order; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: New York, New York  
\_\_\_\_\_, 2013

---

Hon. Martin Glenn  
United States Bankruptcy Judge



**EXHIBIT C**

**Engagement Letter**

*Execution Version*

September 16, 2013

Mr. Jeffrey A. Brodsky  
Managing Director  
Quest Turnaround Advisors, LLC  
800 Westchester Avenue, Suite S-520  
Rye Brook, NY 10573

Re: Engagement Letter between Official Committee of Unsecured Creditors and Quest Turnaround Advisors, LLC

Dear Mr. Brodsky:

This letter (the "Engagement Letter") confirms and sets forth the terms and conditions of the engagement of Quest Turnaround Advisors, LLC ("Quest") as consultant to the Official Committee of Unsecured Creditors (the "Committee") of Residential Capital, LLC and its debtor subsidiaries (collectively, the "Debtors"), including the scope of services (the "Services") to be performed and the compensation for those Services. Upon execution of this letter by each of the parties below, this Engagement Letter will constitute an agreement between Quest and the Committee.

1. Bankruptcy Court Approval

This Engagement Letter and the obligations of the Committee and Quest to perform hereunder are expressly subject to approval of the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). The Committee will promptly apply to the Bankruptcy Court to obtain approval of Quest's engagement *nunc pro tunc* to the date of this Engagement Letter. Quest acknowledges that its engagement and the terms thereof are subject to Bankruptcy Court approval.

2. Staffing

Upon execution of this Engagement Letter, Quest will immediately provide the services of Jeffrey A. Brodsky, who will serve as consultant to the Committee (the "Liquidation Consultant").

During the term of this engagement, Mr. Brodsky will not take on any new engagement which, together with any other obligations of Mr. Brodsky, would reasonably be expected to interfere with his obligations hereunder, without the express prior written consent of the Committee. The Committee understands that as of the date of this Engagement Letter, Mr. Brodsky is, and will continue to be, a Managing Director of Quest, and has performed, and will continue to perform, services on Quest internal matters and on Quest engagements existing prior to the date of the Engagement Letter and previously disclosed to the Committee (such internal matters and prior engagements, collectively, "Prior Engagements") and the parties agree that such Prior Engagements shall not interfere with Mr. Brodsky's obligation under this Engagement Letter.

*Execution Version*

Mr. Brodsky will devote substantially all of his working time (other than time spent supporting Prior Engagements) to the performance of the Services for the Committee, including consulting with the Debtors regarding their progress on the wind down and transfer of assets to the Liquidating Trust, as described in further detail below. Quest represents that Mr. Brodsky is not committed to any other assignment that precludes him from devoting substantially all of his working time (other than time spent supporting Prior Engagements) during normal business hours to this engagement until the effective date (the "Effective Date") of the Joint Chapter 11 Plan Proposed By Residential Capital, LLC, et al. and the Official Committee of Unsecured Creditors [Docket No. 4189, Ex. A (Part 2)], as may be amended in accordance with its terms (the "Plan").

Upon the mutual agreement of Quest and the Committee, Quest may provide additional personnel of Quest as required to perform the Services set forth more fully herein, the number of additional personnel and fees associated therewith to be agreed to by Quest and the Committee.

3. Scope of Services

Working in consultation with the Debtors' Chief Restructuring Officer and Chief Business Officer, Quest and the Liquidation Consultant shall, as appropriate and requested:

- a. provide regular updates and information to the Committee regarding the progress of the Debtors' efforts to negotiate and settle claims against the Debtors, implement a schedule and process for the litigation of disputed claims, and determine the adequacy of reserves that may be required upon exit from Chapter 11;
- b. provide regular updates and information to the Committee regarding the Debtors' progress in developing and implementing an efficient liquidation of the Debtors' remaining assets in a manner that maximizes the value of such assets for the benefit of unsecured creditors;
- c. provide regular updates and information to the Committee regarding the Debtors' litigation strategy, including the investigation, prosecution, settlement and compromise of claims filed against the Debtors and the estate causes of action;
- d. provide regular updates and information to the Committee regarding the operating resources required by the Debtors upon exiting from Chapter 11 and the implementation of a process for the transition to the Liquidating Trust following confirmation of the Plan;
- e. communicate with the Committee and the Debtors' creditors and key stakeholders, and assist such parties in working towards confirmation of the Plan;

*Execution Version*

- f. review the proposed use of estate resources, help manage Committee and estate expenses, and provide recommendations to the Committee regarding same;
- g. provide testimony in the Bankruptcy Court when and if requested by the Committee during the Debtors' chapter 11 cases (the "Chapter 11 Cases");
- h. participate in meetings internally or with outside constituencies; and
- i. provide such other services, advice, or assistance as may be requested by the Committee from time to time in connection with this engagement.

The Services, as outlined above, are subject to change as mutually agreed between the Committee and Quest, and at all times shall encompass those consistent with the parties' ethical and fiduciary obligations. Quest and the Liquidation Consultant shall not be required to take or refrain from taking any action they have determined, or shall have been advised by counsel, is likely to involve Quest or the Liquidation Consultant being personally liable or is contrary to the terms of the Engagement Letter, or is otherwise contrary to law.

4. Reporting

The Liquidation Consultant shall directly report and make recommendations to the Committee.

5. Compensation

Quest will be paid by (and will seek payment of its fees from) the Debtors for the Services of Mr. Brodsky at the hourly billing rate of \$795 per hour. Such rate will be subject to adjustment annually at such time Quest adjusts its rates generally; provided, however, in no event will Mr. Brodsky's hourly billing rate increase prior to the one year anniversary of the execution of this Engagement Letter.

Quest will be reimbursed by the Debtors for Mr. Brodsky's reasonable and documented actual out-of pocket expenses incurred in connection with and specifically related to this engagement, such as travel, accommodations and meals. In addition, Quest shall be reimbursed by the Debtors for reasonable and documented fees and expenses of its counsel (without the need for such counsel to be retained as a professional in the Bankruptcy Cases), as they are incurred in connection with the preparation and presentation of applications seeking payment of Quest's fees and expenses, in an amount not to exceed \$10,000.00.

Upon approval of Quest's engagement hereunder and this Engagement Letter by the Bankruptcy Court, all fees and expenses due to Quest will be submitted to the Debtors on a monthly basis in accordance with the interim compensation procedures established by the Bankruptcy Court. All bills will be accompanied by reasonable back-up documentation. The Committee shall assist Quest in preparing, filing and serving fee statements, interim fee applications and a final fee application pursuant to sections 330 and 331 of the Bankruptcy Code. Quest acknowledges that

*Execution Version*

parties in interest in the Chapter 11 Cases will have the right to object to fees paid and expenses reimbursed.

6. Term

The engagement will commence as of the date of this Engagement Letter, and shall continue on a month to month basis until terminated by either party, whereby such termination may be effected by either party without cause by giving sixty (60) days' written notice to the other party. Any fees and expenses due to Quest shall be remitted promptly (including fees and expenses that accrued prior to but were invoiced subsequent to termination). The Committee may immediately terminate Quest's Services for Cause by giving written notice to Quest. Upon any such termination for Cause, the Debtors shall be relieved of all of their payment obligations under this Engagement Letter, except for the payment of fees and expenses through the effective date of termination (including fees and expenses that accrued prior to but were invoiced subsequent to such termination). For purposes of this agreement, "Cause" shall mean if: (a) the Liquidation Consultant is convicted of, admits guilt in a written document filed with a court of competent jurisdiction to, or enters a plea of *nolo contendere* to, an allegation of fraud, embezzlement, misappropriation or any felony; (b) a material breach of any of Quest's material obligations under this Engagement Letter that is not cured within twenty (20) days of the Committee's written notice thereof to Quest describing in reasonable detail the nature of the alleged breach, or (c) the unavailability of Mr. Brodsky for a period of longer than seven (7) consecutive business days without at least five (5) days' prior notice to the Committee, or such other notice as is reasonably practicable in the event such absence is caused by unanticipated illness. Notwithstanding the foregoing, this Engagement Letter shall automatically terminate without notice on the Effective Date.

7. Conflicts

Quest and Mr. Brodsky have undertaken a review of their records to determine Quest's professional relationships with the Debtors, their creditors, and other related parties. None of the parties is currently aware of any relationship that would create a conflict of interest. Because Quest is a crisis management firm that serves clients in various cases, both in and out of court, it is possible that Quest may have rendered or will render services to, or have business associations with, other entities or people which had, have, or may have relationships with the Debtors, their lenders, and key stakeholders. In the event that Quest accepts the terms of this engagement, Quest will not, absent the prior written consent of the Committee, accept any engagement with, or be engaged by, any entities or persons who have a connection with the Debtors or these Chapter 11 Cases.

Notwithstanding the above, the Committee and the Debtors understand that Quest and/or Mr. Brodsky may be engaged Post-Effective Date by the Liquidating Trust and/or the Liquidating Trust Board (as such term is defined in the Plan) and that the Consenting Claimants (as such term is defined in the Plan) may negotiate and enter into a separate written agreement with Quest regarding the economic terms, including incentive compensation and the events and terms on which such compensation shall be payable, of such engagement during the term of this Engagement Letter. The Committee and the Debtors hereby agree that Quest's engagement by the Committee shall not cause any conflicts with respect to any future engagement of Quest or

*Execution Version*

Mr. Brodsky by the Liquidating Trust and/or the Liquidating Trust Board and the negotiations in connection therewith.

8. Confidentiality

Consistent with that separate confidentiality agreement entered into between Quest and the Committee in contemplation of Quest's engagement by the Committee, Quest and Mr. Brodsky shall keep as confidential all non-public information received from the Committee, the Debtors and major stakeholders in these Chapter 11 Cases in conjunction with this engagement, except (a) as required by legal proceedings, or (c) as reasonably required in the performance of duties as Liquidation Consultant. Quest and Mr. Brodsky will not disclose to any third party confidences or work product regarding his work for the Committee. All obligations as to non-disclosure shall cease as to any part of such information to the extent that such information is or becomes public, other than as a result of a breach of this provision. The negotiation and execution of an agreement between Quest and the Liquidating Trust and/or the Liquidating Trust Board during the term of this engagement shall not be deemed a breach of this provision.

9. Indemnification

The Debtors hereby agree to indemnify and hold Quest, Mr. Brodsky, and any additional Quest personnel utilized with the Committee's consent (each an "Indemnitee") harmless from and against any damages, costs, expenses and liabilities, taxes and penalties of any kind and nature whatsoever ("Losses," which shall include, but not be limited to, all attorneys' fees) to the extent arising out of, related to, are imposed upon or asserted at any time against Quest and Mr. Brodsky with respect to the performance of the Services under this Engagement Letter, or the transactions contemplated hereby ("Actions"), including, without limitation, any Losses with respect to any threatened, pending or completed claim (a "Claim"), any investigation, action, cause of action, suit, arbitration, appeal, controversy or other proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"); provided, however, that Indemnitee shall not be entitled to indemnification arising from any acts by Indemnitee of bad faith, willful misconduct or gross negligence.

Indemnitee shall promptly notify the Debtors and the Committee of the commencement of any Proceeding, or any occurrence of any event which might give rise to a Claim; however, unless the Debtors have been prejudiced thereby, the failure to notify the Debtors shall not relieve the Debtors from any liability hereunder. Neither an Indemnitee nor the Debtors will, without the other party's and the Committee's prior written consent, agree to a settlement of any Action.

Notwithstanding any other provision of this Engagement Letter, the Debtors shall, from time to time and to the extent not prohibited by applicable law, advance any reasonable expenses, costs, disbursements, including, without limitation, reasonable attorneys' fees incurred by or on behalf of Indemnitee in connection with Actions (collectively, "Expenses") within five (5) days after the receipt by the Debtors of a statement or statements from Indemnitee requesting such advance or advances; provided, however, that any such advances will only be made following a determination by the Debtors that such advances are being made in connection with the Actions.

*Execution Version*

Such statement or statements shall reasonably evidence each of the Expenses incurred by Indemnatee for which the Indemnatee seeks advancement and shall include or be preceded or accompanied by an undertaking by or on behalf of Indemnatee to repay any Expenses advanced if it shall ultimately be determined that Indemnatee is not entitled to be indemnified against such Expenses. Any advances and undertakings to repay pursuant to this paragraph shall be unsecured and interest free. Notwithstanding anything set forth to the contrary in this Engagement Letter, the Debtors and Indemnatee may agree from time to time that the Debtors shall pay certain Expenses directly to the applicable third parties, without any obligation for Indemnatee to submit a prior statement to the Debtors. Indemnatee shall have the obligation to repay such Expenses to the Debtors if it is ultimately determined that Indemnatee is not entitled to be indemnified for such Expenses.

If the indemnification provided for in this Agreement is for any reason other than by virtue of its express terms unavailable for any reason in respect of any liability or portion thereof, the Debtors shall contribute to the liabilities to which Indemnatee may be subject to the maximum extent permitted by law.

The rights granted by this Section 9 shall not be deemed exclusive of any other rights to which the Indemnatee may be entitled under any statute, agreement, or otherwise, both as to action in an indemnified capacity and as to action in any other capacity.

The indemnification provisions of this section shall survive the termination of this Engagement Letter.

10. Section 409A

It is the intention of the parties hereto that payments under this agreement be exempt from, or in compliance with, Section 409A of the Internal Revenue Code of 1986, as amended, and accordingly, to the maximum extent permitted, this agreement shall be interpreted consistent with such intention. Each payment made under this agreement shall be designated as a "separate payment" within the meaning of Section 409A.

11. Miscellaneous

This Engagement Letter: (a) shall be governed and construed in accordance with the laws of the State of New York, regardless of the laws that might otherwise govern under applicable principles of conflict of laws thereof; (b) incorporates the entire understanding of the parties with respect to the subject matter thereof; and (c) may not be amended or modified, except in writing executed by each of the signatories hereto.

The Committee and Quest agree to waive a trial by jury in any action, proceeding, or counterclaim brought by or on behalf of the parties hereto with respect to any matter relating to or arising out of the performance or non-performance of the Committee or Quest hereunder.

The Committee and Quest agree that the Bankruptcy Court, having jurisdiction over the Chapter 11 Cases (or any case into which it may be converted), shall have exclusive jurisdiction over any and all matters arising under, or in connection with, their obligations hereunder.

*Execution Version*

If the foregoing is acceptable to you, kindly sign the enclosed copy to acknowledge your agreement with its terms and its effective date, and return an executed copy of it to counsel to the Committee at the above address.

Yours truly,

**Official Committee of Unsecured Creditors**

By: 

John S. Dubel  
Co-Chair

**Accepted and Agreed:**

**Quest Turnaround Advisors, LLC**

By: \_\_\_\_\_

Jeffrey A. Brodsky  
Managing Director

**Accepted and Agreed with respect to Paragraphs 5, 7 and 9:**

**Residential Capital, LLC for itself and its Debtor subsidiaries**

By: \_\_\_\_\_

Its: \_\_\_\_\_



*Execution Version*

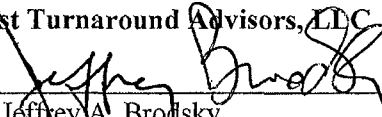
If the foregoing is acceptable to you, kindly sign the enclosed copy to acknowledge your agreement with its terms and its effective date, and return an executed copy of it to counsel to the Committee at the above address.

Yours truly,

**Official Committee of Unsecured Creditors**

By: \_\_\_\_\_  
John S. Dubel  
Co-Chair

**Accepted and Agreed:**

**Quest Turnaround Advisors, LLC**  
By:   
Jeffrey A. Brodsky  
Managing Director

**Accepted and Agreed with respect to Paragraphs 5, 7 and 9:**

**Residential Capital, LLC for itself and its Debtor subsidiaries**

By: \_\_\_\_\_

Its:

*Execution Version*

If the foregoing is acceptable to you, kindly sign the enclosed copy to acknowledge your agreement with its terms and its effective date, and return an executed copy of it to counsel to the Committee at the above address.

Yours truly,

**Official Committee of Unsecured Creditors**

By: \_\_\_\_\_  
John S. Dubel  
Co-Chair

**Accepted and Agreed:**

**Quest Turnaround Advisors, LLC**

By: \_\_\_\_\_  
Jeffrey A. Brodsky  
Managing Director

**Accepted and Agreed with respect to Paragraphs 5, 7 and 9:**

**Residential Capital, LLC for itself and its Debtor subsidiaries**

By: Lewis King  
Its: Chief Restructuring Officer